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ABSTRACT

This report presents a context for the consideration of welfare reform, and reviews 10 major poverty programs. A linkage is made between government poverty programs and the full panoply of American economic and social interventions through five major themes: (1) quashing the many myths about welfare leads to a clearer understanding of poverty; (2) preserving entitlement programs will preserve the safety net that meets basic human needs, such as nutrition and health care; (3) assuring basic needs will promote a stable community; (4) maximizing human potential will promote economic opportunity and productivity is a third principle; (5) investing in children means investing in the future of our nation. This statement of principles sets out central priorities to guide discussion and policy into the next century. Education is specifically dealt with on pages 33-35. Children are the subject of pages 37-44. Resources can be found to meet these requirements. (Contains nine graphs, one table, and numerous illustrations.) (SLD)

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Infusing Humanity Into Welfare Reform: A Statement of Principles for a New Social Contract

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Infusing Humanity Into Welfare Reform: A Statement of Principles for a New Social Contract

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PREFACE

The Twenty-First Century looms into view as newspapers in California predict "California kids will be begging on the streets by the Year 2000." The future is now, and kids *are* begging on the streets of San Francisco, Los Angeles and San Diego. Will work for food. Veteran, hungry kids and dog. *Elect me, now.*

The more things change: the end of the Cold War and closing military bases, computers — not carbon paper — common in the workplace, multiple telephone systems and cable television channels; the more things remain the same: poverty, despair, neglect, blame the victim. Build more prisons. Welfare reform. *Elect me, now.*

People living in this America, bubbling with economic and social transition, are confronting issues familiar to our ancestors: how to provide food, clothing and shelter for all in our midst; how to allocate personal, communal and governmental resources to achieve agreed-upon good; how to engage all in work and civic life, while imposing the least restrictions on creativity and human independence. Family values. Ethnic pride. The melting pot. *Elect me, now.*

Sound bites have replaced sound analysis. Talking heads on camera stand in for public discourse on serious issues. Welfare reform has become the latest sport of the *Elect me now's*, substituting rhetoric for leadership and suffocating the interest of those who should be voting.

This report: thick, fact-filled challenging with point and counter-point, is for those remembering the call to civic involvement based on thoughtful consideration of ethical values, information and substance.

The premise is our inter-connectedness as a human family, living in a national community. Context is presented for consideration of welfare reform; context that is broader than poor people and the ten major poverty programs reviewed, that looks at all use of resources in communal life and support for workers and corporations. The linkage between government poverty programs and the full panoply of American economic and social interventions is made.

Infusing Humanity into Welfare Reform: A Statement of Principles for a New Social Contract draws those linkages through five themes:

- Quashing Welfare Myths Leads to a Clearer Understanding of Poverty.
- Preserving Entitlements Will Preserve the Safety Net.
- Assuring Basic Needs Promotes a Stable Community.
- Maximizing Human Potential Will Promote Economic Opportunity and Productivity.
- Investing in Children Means Investing in Our Future.

Through explanation of the policies and facts that underlie these themes, we address the myths that crowd and hinder the current debate on welfare reform; explore the historical roots and factual record underlying current welfare support systems to inform our understanding of where we are and how we arrived here; and, end with a vision of the future: a society which prioritizes meeting basic human needs over war, corporate profits and exorbitant use of resources on political campaigns.

Thick reading, indeed. A resource guide, not great literature. Dedicated to reforming all American systems no longer serving the common good. In acknowledgment that we are interdependent, that prevention costs less than aftercare, and that "each individual has a universal responsibility to shape institutions to serve human needs."[1]

INTRODUCTION TO WELFARE MYTHS

Quashing Them Leads to a Clearer Understanding of Poverty

The welfare reform debate has long been tainted by myths and falsehoods about who benefits from government assistance, what public assistance does to and for recipients, and more specifically the assumption that welfare for the poor provides for a life of luxury and laziness.

We begin by taking a look at some of these myths. The Principles that follow seek to unravel the facts that dispel those myths, and set the stage for reconsidering what priorities we have for American society.

The average AFDC mom . . .

is 29, has two children, was previously married, was born in the U.S., and has four years of work experience.[1]

The Myth

Only poor people receive "welfare" from the government.

The Facts

"Welfare" is a government subsidy created to achieve particular national goals. There are many types of "welfare" included in the federal budget, many of which are labelled subsidies, grants, and tax breaks.[2]

- Social security, unemployment insurance, and mortgage interest deductions are a form of welfare. These policies were created to achieve the national goal of personal financial stability.

- "Corporate welfare" — in the form of subsidies, tax cuts, and write-offs — was created to achieve the national goal of shoring up U.S. companies in the face of increasing competition from abroad.[3]

Corporate Welfare

The U.S. Department of Agriculture spends $110 million per year underwriting the cost of advertising American products abroad. In 1991, American taxpayers spent $2.9 million advertising Pillsbury muffins and pies, $10 million promoting Sunkist oranges, $465,000 advertising McDonald's Chicken McNuggets, and $2.5 million selling Dole pineapples, nuts, and prunes.[4]

- Cash grants and other assistance to poor families with children, disabled people, and people unable to work, is aimed at achieving the national goal of protecting and strengthening the most vulnerable families and individuals in our society.

"It is time to recognize that we all live subsidized lives in this society and that this is a place from which to begin discussion. The fact of subsidy is not remarkable. The question is why we condemn the welfare subsidy rather than pragmatically considering how we should rethink and restructure the existing system . . ."[5]

Martha A. Fineman, Professor and Legal Theorist, Columbia University Law School

The Myth

Most recipients of cash assistance are adults who can fend for themselves.

The Facts

References to "welfare" usually address Aid to Families with Dependent Children (AFDC) which is a cash assistance program for poor families with children.

- AFDC is primarily a children's program. In California, 70% of all AFDC recipients are children.[6]
- In 1992, 84.6% of the children receiving AFDC benefits were under age 11.[7]
- Today, more than 1.8 million (20%) of all California children depend on public assistance to help meet their basic needs.[8]
- Recent research cites abusive relationships as a factor in the need for welfare by nearly half of the women receiving benefits.[9] Job training programs nationwide cite domestic violence as a major factor interfering with the ability to complete job training and obtain employment, thus posing an obstacle for battered women transitioning from welfare to work.[10]

"There's a lot of free-floating anger toward people who can't defend themselves. More than ever before, we have made the poor into pariahs."[11]

Megan McLaughlin, Executive Director, Federation of Protestant Welfare Agencies

The Myth

Women on welfare have large numbers of children so they can get more benefits.

The Facts

Studies show that the size of welfare benefits has no significant influence on first births, subsequent births, or out-of-wedlock births.[12]

- 42% of all AFDC families include only one child and another 30% have two; less than 10% of the families receiving AFDC include four or more children.[13]
- A very recent study of New Jersey's child exclusion law, which bars benefits for babies born into families already receiving AFDC, found that this "family cap" has had virtually no effect on the child-bearing practices of the women subjected to its penalties and incentives.[14]

- In states with higher benefits or rising grant levels, births are no more frequent or greater in number than in states with flat or falling rates.[15]
- National "family cap" policies are also unlikely to have any effect on subsequent births.[16]
- There is little or no evidence that punitive measures actually reduce the cost of providing benefits and services to needy families.

The Myth

Welfare is causing the growth of single-parent families.

The Facts

Between 1976 and 1992, the proportion of *all* never-married single mothers, poor and non-poor, nearly tripled,[17] while the proportion of single women receiving AFDC who were never married did not even double.[18]

- Thus, the largest increase in single-parent families occurred in non-poor households, not in poor households.[19]

The Myth

Welfare promotes teen parenthood.

The Facts

In California, the average age of a mother receiving AFDC in 1993 was 35.8.[20]

- Less than 1% of all AFDC mothers are teenage mothers.[21]
- Women over 20, not teenagers, are now the largest group having babies out of wedlock.[22]
- The teen birthrate in the U.S. is much higher than in other western industrialized countries, where the welfare benefits are much more generous.[23]

The Myth

Most people on welfare will never go off welfare.

The Facts

Welfare is a transitional support program for the majority of recipients.

- 42% of welfare recipients receive benefits less than two years during their entire lifetime.[25]
- Only one-third of welfare recipients receive welfare more than two years in a row.[26]

- 63% of California's AFDC recipients receive aid for three years or less.[27]

The Myth

If a state offers good benefits and services to poor people, poor people will move there in huge numbers.

The Facts

America in general is a nation of movers. Three times as many Americans moved between 1960 and 1990 as stayed in the same place.[28]

A recent study, based upon Current Population Surveys, found that the magnetic effect of welfare benefits on migration is minuscule. Less than 1% of all welfare recipients moved from a state with less generous benefits to a state with more generous benefits.[29]

- Poor people tend to migrate in the *same direction* as the population as a whole, out of the Northeastern and Midwestern states and into the Southern and Sunbelt states, where AFDC benefits are generally lower.[30]

- Poor people are *less likely* to migrate than the population as a whole. When poor people do move, they are as likely to settle in states with lower AFDC benefits as other states.[31]

- Low-income people who already live in high benefit states are no more likely than the poor who live in low-benefit states to participate in welfare programs.[32]

The Myth

People on welfare do not want to work.

The Facts

The official welfare statistics show that about 12% of AFDC recipients are employed outside the home full- or part-time while collecting a partial AFDC check.[33]

- As many as 43% of AFDC recipients either combine work with welfare or "cycle" between the two.[34]

- In 1989, nearly 15% of the adult women receiving aid and more than 22% of the adult men were either employed or in school while receiving aid, and another 65% of the men and nearly 40% of the women were enrolled in work and training programs.[35]

- Raising a family *is* work. Hard work.

The Poverty Line

The Poverty Line is the official government measurement of the minimum amount of income required to keep an individual or a family out of poverty.

- In reality, even a wage that lifts a family significantly above the poverty line may not actually lift them out of a life of poverty.
- According to the Congressional Budget Office, the poverty line for a family of four in 1995 is less than $14,900.
- This level is based upon a formula created in the 1960's. Since then, the poverty line has only been linked to inflation. The formula has not been updated to reflect the changes in what people need to buy.
- For example, 30 years ago, minimum household goods would not have included a telephone. Many of the poor, especially in rural areas, had no plumbing — a situation which would be considered a rarity today.
- Poverty thresholds are based on minimum nutrient needs to survive and are set without any relationship to the cost of housing, transportation, health care costs or differences in cost of living in various regions. These figures are widely regarded as being unrealistic and having lost all relationship to living expenses.

Poverty Thresholds in 1993

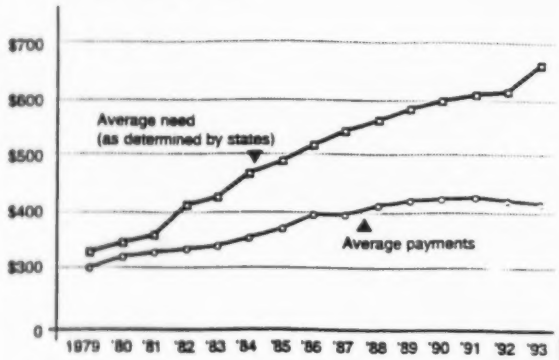
Size of Family Unit	Poverty Level
1	$7,363
2	$9,414
3	$11,522
4	$14,763

36

The Myth

Welfare payments are so generous that recipients have no need to work.

Monthly AFDC Payments vs. Cost of Living
For a Family of Three



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The Facts

Welfare grants place families with children well below the official "poverty line," which is itself well below the actual amount needed to feed, house, and clothe a family.[38]

- For example, in 1994, the maximum AFDC benefit combined with the average food grant for a family of three with no outside income was $786 per month — only 76.6% of the poverty line for a family of that size.[39]

- In California cities, the current maximum AFDC grant of $607 for a family of three can not cover the median monthly rent for a modest two-bedroom apartment,[40] which was $1,000 in 1993.[41]

A Welfare Budget

Consumer Credit of San Francisco uses these guidelines when setting up a budget with their customers:

Housing:	30%	Clothing:	7%
Utilities:	5%	Transportation:	15%
Food:	20%	Recreation:	4%
Essentials:	2-4%	Savings:	8%
Medical:	5%	Other:	2-4%

An AFDC grant in San Francisco for a family of four is $723.00 a month. This is that family's budget:

Housing:	$216.90
Utilities:	$36.15
Food:	$144.60
Essentials:	$14.46 - $28.92
Medical:	$36.15
Clothing:	$50.61
Transportation:	$108.45
Recreation:	$28.92
Savings:	$57.84
Other:	$14.62 - $28.92

Could you afford to support a family of four on this budget?

The least expensive housing unit advertised in the San Francisco Chronicle on Saturday, August 5, 1995 was an "efficiency" studio apartment for $275/month.

The least expensive two-bedroom apartment advertised in the San Francisco Chronicle on Saturday, August 5, 1995 was $700/month.

The Myth

If people would work, they wouldn't need welfare.

The Facts

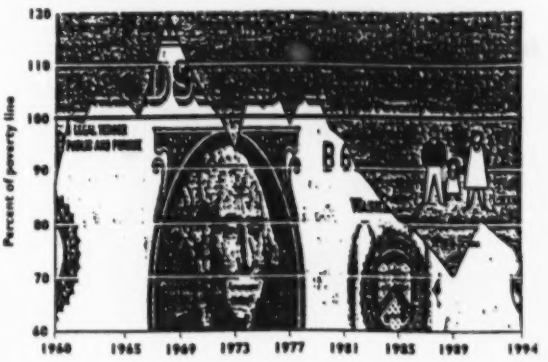
To keep the economy growing and inflation under control, the Federal Reserve purposely maintains official unemployment at 6%. Under this policy, 10 million Americans must remain out of work at any given time.[42] Therefore, not everyone who wants to work can work.

Moreover, the minimum wage does not lift a family out of poverty. It brings in $8,840 a year for full-time work, leaving a family of three more than 25% below the poverty line.[43]

Eroding Minimum Wage

The minimum wage has not kept pace with inflation. Full-time, year-round minimum wage earnings now fall well below the annual poverty line for a family of three.

Minimum wage as a percentage of the poverty line for a family of three, 1960-1994



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- Yet, minimum wage service jobs, most of which do not provide any health or childcare benefits, made up about 75% of all new jobs created between 1979 and 1992.[45]

The Myth

Private charities can take care of poor peoples' needs; government-subsidized assistance is unnecessary.

The Facts

Welfare has stepped in and supported families where charities could not. Giving to human service charities would have to increase by at least 114% by 1996 (and double every year after that) to compensate for the reductions in government spending on social services and cash assistance proposed by the House of Representatives in 1995.[46]

- Approximately three-eighths of the sum of government outlays for social welfare programs fund services provided by charities.[47]

- Charities receive roughly 30% of their revenues — about $105 billion — from government sources.[48]

What the charities say . . .

Catholic Charities USA, the Council of Jewish Federations, the Salvation Army, Lutheran Social Services, Second Harvest, Feed the Children, and the St. Vincent de Paul Society have all said they cannot make up for federal budget cuts of tens of billions of dollars.[49]

The Myth

Nothing about welfare works.

The Facts

Poverty-based cash assistance and food stamps are the end of the line. At a minimum, they help recipients, most of whom are children, avoid starvation and homelessness.

- Unemployment insurance is frequently the only thing standing between the recipient and abject poverty after a job loss or between jobs.

- 92.5% of Supplemental Security Income (SSI) recipients live in their own household. SSI works to prevent homelessness.[50]

- Every dollar spent on the Special Supplemental Food Program for Women, Infants, and Children (WIC) saves over $3 in medical care costs.[51]

- In Oakland, California, the federally funded Healthy Start program links pregnant women and new mothers to health and social services in their communities, and has achieved a 50% drop in infant mortality over a four year period.[52]

- Section 8 certificates and voucher programs assist about 1.3 million lower-income renter households, enabling them to live in decent, affordable, privately owned housing.[53]

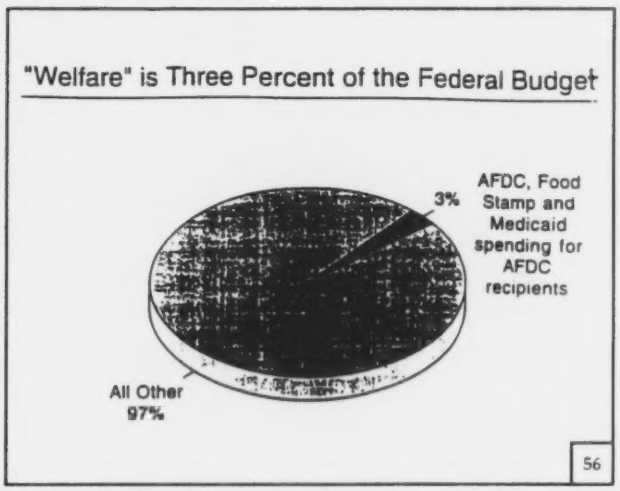
The Myth

Cutting welfare will balance the budget.

The Facts

Spending on poverty programs is not one of the major factors in our long-term deficit problems.[54]

- AFDC constitutes 1% of total federal spending. When food stamp and Medicaid benefits are added in, the total rises, but remains a modest share of overall spending at only 3%.[55]


"Welfare" is Three Percent of the Federal Budget
3%
AFDC, Food Stamp and Medicaid spending for AFDC recipients
All Other 97%
56

- By contrast, defense spending makes up 18% of the budget, social security 21%, and interest on the deficit 13%.[57]

Every 1% levy on the incomes of the wealthiest 10% of Americans will add over $17 billion to government revenues. In contrast, every 1% of income painfully extracted from the poorest 20% of all families adds less than $ 2 billion a year to tax revenues.[58]

The Myth

Many welfare families are immigrants who come to California and drain the economy.

The Facts

The vast majority (approximately 80%) of immigrants to California come for job opportunities and family reunification.[59]

- Nearly 86% of AFDC recipients in California are citizens, and the remainder are legal immigrants.[60]

- Nearly 90% of all Supplemental Security Income (SSI) recipients are U.S. citizens, and the remainder are legal immigrants.[61]

Although undocumented immigrants are not eligible for almost all public benefits, they are required to pay for them through taxes and payroll deductions.

- Each year, immigrants pay $90 billion in taxes, and receive only $5 billion in public assistance.[62]

> *"Previous studies have found that immigrants and immigrant families, when all things are equal, are less likely than natives to become dependent on welfare. The majority of undocumented persons come to California to work, and rely upon family and community networks, not the government safety net systems, for financial and social support."*[63]

PRINCIPLE NUMBER ONE

Preserving Entitlements Will Preserve the Safety Net

The "safety net" refers to government programs aimed at meeting basic human needs, such as nutrition and health care.

Two primary methods through which federal funding is provided for benefits to aid poor families are "entitlements" and "block grants."

As of September 15, 1995, several programs providing for very basic needs such as food and health care are "entitlement" programs, including: food stamps, Medicaid and Aid to Families with Dependent Children, the cash assistance program that serves mainly children.

Entitlements vs. Block Grants: What's the difference?

Entitlements

Under the "entitlement" method anyone meeting established eligibility criteria for benefits (such as cash or health care) is entitled to the assistance.

- In addition to funding entitlement programs, the federal government establishes administrative and eligibility requirements, setting guidelines to ensure that programs in all the states meet at least a set minimum standard.
- States are typically required to provide matching funds, thereby leveraging the federal investment in human needs.

  ✓ If the number of eligible people is underpredicted and the money runs out before the end of the year, the government provides additional funding for the program.

Block Grants

A "block grant" is a funding method whereby the federal government grants each state government a fixed sum of money to run each program. The amount each state is awarded is determined by a formula that looks at factors such as population.

- Often the federal government sets minimal guidelines for block grant programs, leaving most of the administrative and eligibility criteria to be established at the state or local level.
- Sometimes block grants do not require the states to match federal block grant funds, or the matching ratio is much lower than for the entitlement programs. With little or no state funding to leverage the federal investment in these block grant programs, the programs will have a much lower impact in addressing poverty, than under the entitlement system with state matching requirements.

✓ Regardless of special circumstances that result in increased need, such as a recession, plant closures, natural disasters, or increased population, once the money allocated for the block grant program is spent, no more funding is available for the program. Thus, applicants who meet the eligibility criteria, but apply for benefits after the money is spent will not receive assistance no matter how dire their circumstances.

Block grants: nothing new under the sun

The idea of providing cash assistance in the form of "block grants" is not a new idea. In 1968, Congress implemented a "flat grant," which was similar to the modern "block grant." The plan was ultimately replaced by the entitlement method because the "flat grant" couldn't meet peoples' basic needs.

Block grants are not a substitute for a real safety net

BLOCK GRANTS
An End to the American Safety Net
G.O.P. BLOCK GRANTS
FORMER A.F.D.C. RECIPIENTS BLOCK
FORMER PUBLIC HOUSING RECIPIENTS BLOCK
FORMER FOOD STAMP RECIPIENTS BLOCK

Block grants eliminate the "safety net" feature of the welfare system. This safety net has been protecting poor children, the elderly, and the disabled from destitution for 60 years.[2]

Would you risk it?

Replacing entitlements with a block grant is akin to placing a net below a tightrope-walker some of the time, but not all of the time. Such a system offers little in the way of real security that a safety net will be in place when people need it.

- When not required to match federal funding for social services, states historically have leaned toward diminishing support for services, placing the burden on local jurisdictions. Local governments are then forced to bear the unshared costs of caring for families and dealing with the increase in homelessness, medical expenses, hunger, and crime.

  ✓ In California, we are now facing a crisis in which such financial responsibility is increasingly put upon county governments, which do not have the power to levy taxes nor the resources to meet the demand for basic needs.

- Block grants commonly become a "way station" to additional future cuts or even total abandonment of federal responsibility for social welfare. As such, block grants do not represent welfare reform, but rather decimation of the safety net.[3]

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Making way for more cuts . . .

"The block grant is the secret device for cutting welfare benefits . . . It is a way of avoiding blame for loading deficit reduction onto the backs of the poor."[4]

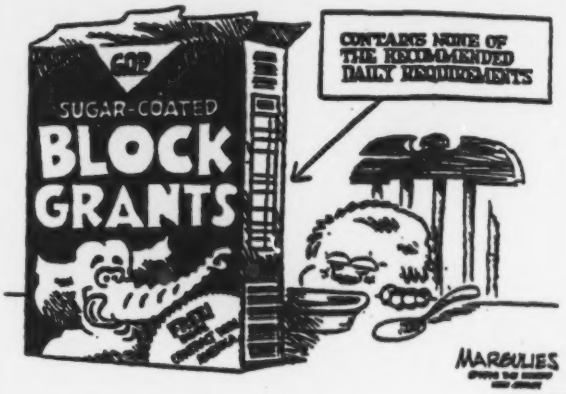
Paul E. Peterson, Director of the Center for American Political Studies at Harvard University

Programs that are switched from entitlements to block grants will not increase state flexibility, despite perceptions to the contrary. If the states are receiving less money, it becomes much harder for them to implement innovative reforms.[5]

- In Wisconsin, the Republican Governor increased funds for job training, job placement, and child care *five-fold* to help people move off welfare.[6]

  ✓ Wisconsin spends about $1400 a year — in addition to welfare benefits — helping each parent prepare for work. But after a few years, the state gets a payback: Wisconsin now saves $2 in benefits for every $1 it spends making people employable.[7]

- However, receiving only a fixed amount of block grant funding from the federal government, other states will not be able to afford to replicate the Wisconsin model.[8]



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"The states have failed 85% of the time to collect child support, and now with this magnificent 85% failure rate, they're being asked to run the whole thing. That would be like somebody in a private enterprise looking around for a manager, finding someone with an 85% failure rate, and saying 'Ah! That's the man I'm going [to] have run my business'."[10]

Kevin Aslanian, Executive Director, Coalition of California Welfare Rights Organizations

Block grants can further weaken the economy during economic downturns.

- Currently, additional entitlement program funds flow automatically into states when population growth, recession or natural disaster results in increased need for public assistance.[11]

✓ During these periods, food stamps and other entitlement benefits function as what economists call "automatic stabilizers." These resources infuse more purchasing power into local economies when recession sets in.[12]

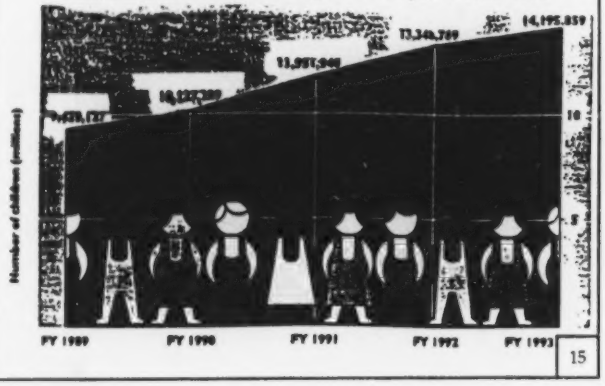
Last year, federal food programs resulted in an estimated $3.8 billion of federal food dollars being spent in grocery stores. With the recession still affecting many businesses, these federal dollars stimulated the state economy, sustaining sales and jobs, with an estimated total value of over $8.4 billion.[13]

- Failing to meet basic needs during harder times will not only increase the incidence of hunger, but also weaken the economy by slowing economic recovery.

  ✓ During the recession between June 1990 and June 1992, as the national unemployment rate jumped from 5.1% to 7.7%, the number of people needing food stamps to survive rose by more than 5 million.[14]

Growing Need *Between FY 1989 and FY 1993, the number of children receiving food stamps increased by more than 50 percent.*

Number of children receiving food stamps, FY 1989-1993



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✓ Between June 1990 and June 1993, as California's unemployment rate rose from 7.9% to 9.3%, the number of people receiving food stamps rose by more than 780,000.[16]

There are alternatives to block granting that would preserve the "safety net" while achieving increased state flexibility. For example, we could move towards a flexible entitlement system.[17]

- The federal government would set guidelines for required outcomes, but states could be given the freedom to write their own plan. Since states would be required to meet federal standards, there would be less danger of worsening poverty.[18]

- States would be allowed to impose reasonable obligations on recipients — for example, to participate in education, training, or work programs — and to assess reasonable penalties when recipients fail to meet these expectations.

- Aid would be available for anyone who qualified, and federal and state governments would continue to share costs.[19]

Block grants do more harm than good. They will not solve budget problems, nor will they increase the number of people who can leave welfare and enter work.

The verdict is in . . .

The U.S. Conference of Mayors, National Association of Counties, the National League of Cities, and the National Governor's Association have all expressed grave misgivings about block granting welfare programs.[20]

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PRINCIPLE NUMBER TWO

Assuring Basic Needs Promotes a Stable Community

Benefits and social services: history and goals

The history of welfare in the U.S. is a history of the government stepping in to strengthen the "safety net" for the poorest and most vulnerable individuals. This effort was not only to benefit the poor, but to maintain stability and health in society overall.

- Welfare policy was first formulated at the state level.
- AFDC itself owes its origins to state-run "mother's pensions" programs first set up in the early years of the 20th century.[1]
- In California, welfare policy evolved out of voluntary assumptions of responsibility for the poor by the missions and the pueblos. State-based welfare became institutionalized in response to epidemics of small pox and other diseases that were fostered by conditions of extreme poverty.[2]
- AFDC and food stamp programs were expanded out of these beginnings to attack hunger and malnutrition and provide support for individuals and families who were poor and couldn't provide for themselves.

Government welfare programs supplemented charities, which could not then, and cannot now, meet the huge demand for goods and services.

Before welfare: charities

Prior to the creation of welfare programs, religious organizations were a primary source of assistance for the poor, but could not lift families out of poverty.

Despite claims by some that charities can fill the gap created by government cuts in social programs, charities themselves refute this claim, saying they cannot meet peoples' basic needs without the help of government funding and programs.[3]

While charities may be able to fill some gaps, they do not have the capacity to sustain emergency and basic services for the current welfare population of 14 million Americans, nearly 70% (10 million) of whom are children.[4]

While charities strive to support food banks, soup kitchens, and clothing drives to meet the emergency needs of poor families, these activities supplement but cannot replace AFDC and food stamps.[5]

President Franklin D. Roosevelt expanded the safety net, believing that unemployment was caused by an uncontrolled and impersonal economic structure — not the unemployed themselves — and that assistance in maintaining a minimum standard of living was a matter of justice rather than charity.[6]

- The Social Security Act of 1935 incorporated a family assistance program, along with relief for the unemployed. Because family assistance had evolved out of state-operated programs, it was supported by joint financing from both federal and state governments.

  ✓ Within 18 months of the social security program which FDR passed through Congress, 16% of the population of the U.S. was provided with relief from poverty.[7]

- By the 1960's, poverty had become a largely urban problem. President Johnson made strides to implement legislation such as the Head Start program and the Economic Opportunity Act.[8]

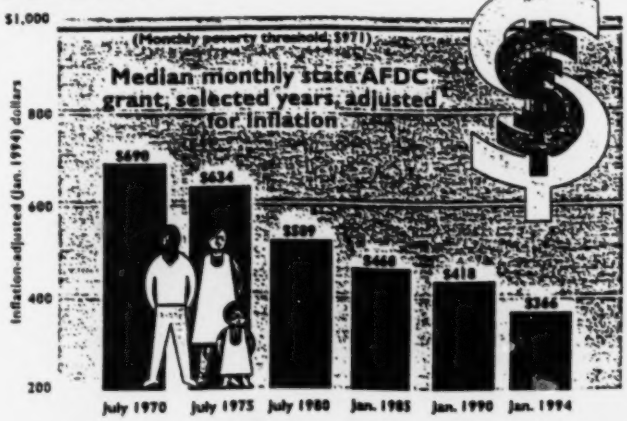
- The 1970's saw the beginnings of a retreat from providing relief to the poorest citizens. This retreat has worsened with time.[9]

- All in all, the real decrease in aid to poor people between 1970 and 1993 has amounted to no less than 42%.[10]

The United States comes in last in any comparison with the countries of the Organization of Economically Developed Countries in terms of the effectiveness of anti-poverty strategies. A 1991 study of seven Western industrial nations revealed that at least 75% of poor families were lifted out of poverty in the Netherlands, Sweden, and the United Kingdom, compared to half in France, a third in West Germany, a fifth in Canada, and only 4.5% in the U.S.[11]

Falling Welfare Benefits

Since 1970, welfare benefits have shrunk by more than $300 per month in inflation-adjusted dollars. The 1994 median state AFDC grant for a family of three fell more than $600 short of the monthly poverty threshold.



12

Assuring the most basic needs of individuals and families

"The curse of poverty has no justification in our age . . . The time has come for us to civilize ourselves by the total, direct, and immediate abolition of poverty."

Dr. Martin Luther King, Jr.

13

To participate fully in civil society, each person must have access to basic personal, economic, and social well-being. This includes secure access to food, housing, education, health care, and child care.

- The welfare system should promote human dignity and self-respect, and enable individuals to rise out of poverty, and empower them to achieve long term economic self-sufficiency.

For those individuals and families who are not yet self-sufficient, a safety net must be provided which allows people to maintain a basic level of well-being.

Poll on the government's role

An April 1995 CBS news-New York Times poll found that a majority of Americans, across the political spectrum, agree with the statement that "it is the responsibility of the government to take care of people who cannot take care of themselves." More respondents favored guaranteeing that all eligible families receive welfare benefits over limiting the amount of funds available for welfare and risking not covering some families.

What businesses can do to help

Target particular corporate contributions towards peoples' basic needs.

- ➢ Food-oriented businesses should donate food to shelters and programs.[13]
- ➢ Computer businesses should donate computers to schools.
- ➢ Medical associations should develop and nurture pro bono programs for low-income people.
- ➢ Law firms should set up pro bono departments and donate money to public interest organizations serving the poor.
- ➢ Clothing manufacturers should donate excess and unsaleable clothes to shelters.[14]
- ➢ Investment firms can invest money specifically for public interest organizations, and donate the revenues.[15]

Cash Assistance Programs

Income assistance levels must be high enough to provide a sustainable income for the basic necessities of life. Benefit levels for programs should reflect regional differences in the standard of living, and include cost of living increases.

Aid to Families with Dependent Children (AFDC)

When most people talk about welfare, they mean the Aid to Families with Dependent Children (AFDC) program, which provides cash assistance to poor families with children.[16]

- AFDC is funded by both federal and state governments. The federal and state shares of AFDC cost $22 billion in 1992 — approximately 1% of the federal budget and 2% of the states' budgets.[17]

- More than nine million children depended upon AFDC to meet their basic needs in 1992.[18]

Supplemental Security Income (SSI)

SSI is cash assistance for poor individuals who are disabled, blind or age 65 or older. The program was created in 1972 to provide uniform national standards and replace disparate state programs.[19]

- In 1994 over 6 million elderly and disabled people received SSI — 35% of recipients were over 65, 52% disabled adults and 13% disabled children.[20]

- SSI helps reduce the effects of poverty for adults who cannot work.

- SSI also allows the families of disabled children to meet the financial challenges presented by the disabilities.

- The current SSI benefit level represents only 75% of the poverty line for an individual.[21]

- 24% of disabled adult recipients and 40% of disabled child recipients receive SSI based on mental retardation.[22]

SSI reform wish list

➢ The complete SSI application process should take six months, or less. Currently, it often takes two years to apply for SSI and receive final approval.

➢ The application process should be reformed to ensure that those with mental disabilities receive appropriate support in completing the process.

- Only 1-2% of all SSI recipients receive the benefit based on substance addiction.[23] They need to receive SSI long enough to obtain and complete treatment, so they can return to being productive members of society. This cannot be achieved if they are penalized by having benefits cut off for failure to undergo treatment when they could not obtain access to treatment due to a shortage of open placements.

Ending SSI eligibility for recipients with substance addictions would be counter-productive.

- ➢ 75% of such recipients would be eligible for assistance because of other co-existing disabilities, but they would no longer be subject to administrative rules that require them to obtain treatment for the addictions.[24]
- ➢ State and local governments will become responsible for those who lose SSI, but having lost SSI these individuals will also lose Medicaid eligibility and no longer bring in matching Medicaid funds to the states so the states will have less resources to address their needs.[25]
- ➢ For every dollar spent on treatment for drug and alcohol abuse, California taxpayers reap $7 in savings, mostly due to reductions and in crime and health care costs.[26]

I'M HAPPY TO REPORT THAT PRODUCTION IS UP 38.7 PERCENT WHILE EMPLOYEES HAVE BEEN CUT 43.5 PERCENT SINCE YOU HANDLED THE DOWNSIZING WITH SUCH SKILL AND TENACITY. CORPORATE HAS ASSIGNED ME TO ASK YOU HOW WE CAN BEST EASE THE TRAUMA OF YOUR TERMINATION.
27

Unemployment Insurance

The unemployment insurance system is an important tool for fighting poverty and economic recession, and should be strengthened and subject to federal guidelines.

- As an important part of the safety net, unemployment insurance helps workers who lose their jobs by replacing part of their former earnings while they are seeking a new job or waiting to be called back to their old job, frequently preventing the unemployed from falling into poverty.
- Unemployment insurance also acts as an "automatic stabilizer" injecting funds into the community during a downturn in the economy. The Unemployment Insurance system has often been labeled as the "first line of defense" against recessions.[28]
- The unemployment insurance system has been weakened since the 1970's, when states were granted nearly unlimited flexibility in program design and control.[29]

The tendency of states to make requirements more stringent[30] raises concerns not only about unemployment insurance, but the current trend to eliminate federal standards in other parts of the safety net.

- In 1994, only 32.5% of the unemployed received unemployment insurance benefits in an average month. By contrast, prior to 1980, the proportion of the unemployed receiving benefits always exceeded 40%.[31]

Any erosion in unemployment insurance benefits will cause the other safety net programs (AFDC, Food Stamps) to be overburdened by demand, particularly during a recession, when long-term unemployment increases.

Food Programs

> "Hunger does not breed reform; it breeds madness, and all the ugly distempers that make an ordered life impossible."
>
> *Woodrow Wilson, address to Congress, November 11, 1918*

The U.S. has in place a network of nutrition programs that were developed with the underlying aim to protect all citizens who are vulnerable to the harmful effects of hunger.

Hunger in California

- At least 8,400,000 Californians are "food insecure" — that is, they have uncertain access to adequate food and are at risk of hunger.[33]
- The vast majority of Californians with income at or below the poverty line — approximately 5 million people, including 2 million children and over a quarter-million seniors — experience actual hunger caused by lack of resources to obtain food.[34]

Several key programs focus directly on ensuring that the most vulnerable children do not go hungry, as a way to protect their healthy development and later productivity as adults.

Special Supplemental Food Program for Women, Infants, and Children (WIC)

WIC safeguards the health of pregnant, postpartum, and breastfeeding women, infants, and children under five years of age.[35]

- WIC is a prevention program, providing food, nutrition education and improved access to health care in order to reduce nutrition-related health problems during critical periods of growth and development.[36]
- WIC serves mothers at nutritional risk, based on abnormal weight gain during pregnancy, iron-deficiency anemia, or related health risks.[37]

Research indicates that WIC is highly cost-effective.

- By decreasing the number of low-birthweight babies born and the need for hospital care for these infants, medical costs are reduced.[38]
- Every $1 spent on the prenatal component of WIC yields an average savings of about $3 in Medicaid.[39]
- Long-term benefits of the WIC program include protection of children from behavioral and cognitive deficiencies, through the prevention of anemia.[40]

School breakfast and lunch

The School Breakfast program provides federal funds to schools and residential child care institutions to offer nutritious meals to needy students.

- Although the School Breakfast program is an entitlement program, it is not accessible to many children who need it because most school districts are not required to offer it.
- Participation in the School Breakfast program raises standardized achievement test scores, and reduces absence and tardiness rates.[41]

The National School Lunch program is an entitlement program open to all public and non-profit private schools and all residential child care institutions. Lunch is available to qualifying children at participating schools, and the meals must meet specific nutritional requirements in order to qualify for federal funds.[42]

- USDA research shows that children who participate in school lunch have superior nutritional intake compared to those who do not.[43]
- Low-income children depend on the School Lunch Program for one-half to one-third of their nutritional intake each day.[44]

Have a heart . . .

"It doesn't say anywhere in the Declaration of Independence . . . that anyone is entitled to anything except the right to pursue happiness."[45]

Congressman Newt Gingrich, when asked about ending the school lunch entitlement

The Food Stamp Program

The Food Stamp Program is the nation's first line of defense against acute hunger. It was created as an entitlement program with federally-mandated guidelines. The fundamental mission of the program is to help low-income people buy food to improve their diets.[46]

- 87% of all food stamp participants are children, the elderly, and women. 50% are children.[47]
- The Food Stamp program is a central component in helping low-income households achieve better nutritional intake.
- However, four of five recipients fail to reach established Recommended Daily Allowance (RDA) standards on the average allotment of 75 cents per person per meal.[48]

- Moreover, bureaucratic obstacles prevent up to a quarter of all eligible households from receiving the coverage to which they are entitled.[49]

Housing

> "It's really sad. You drive home. You see the people on the street, the homeless people. Well, you can't let your emotions dictate everything. But you have to be at least a little bit sensitive."[50]
>
> *Senator Bob Dole*

Housing is considered "affordable" for a low-income household if it consumes no more than 30% of household income.[51] Yet, since the 1970's, affordable housing has become increasingly scarce, and has moved beyond the reach of many poor people.

- One-third of renters in every state in the U.S. cannot afford the price of a one bedroom apartment.[52]
- In California, only 11% of the need for low-income housing is being met. This is a decline of 5% since 1991.[53]
- In the Bay Area, an individual would have to earn 200-450% more than official poverty levels and earn 250-450% more than minimum wage to afford the smallest units in the region on 30% of their income.[54]

The federal role in housing production has steadily declined, contributing to the housing crisis among low-income people.

- During the 1980's, the government shift from publicly funded affordable units to more reliance on the private market led to a decline of 1 million rental units through the decade, while demand for these units increased to 2 million households.[55]

> ➢ The relation of defense expenditures to low-income housing expenditures in 1980 was 5:1. In 1990, it was 20:1.
>
> ➢ During 1993-94, the ratio of defense expenditures to housing and assistance expenditures for homeless people was 192:1.[56]

- The federal Housing and Urban Development appropriations for subsidized housing fell from $32.2 billion in 1978 to $9.2 billion in 1988 — an 80% decrease in 1988 dollars.[57]
- In 1994, the Department of Housing and Urban Development's budget was less than half of what it was under Jimmy Carter in 1994 dollars.[58]
- The total proposed budget for housing programs for homeless people in 1995 is $1.7 billion. In contrast, the total budget for the latest Crime Bill is expected to be more than $8.8 billion.

"Shelter in decent, affordable housing is not a luxury. It is a necessity upon which access to other necessities and the development of healthy, productive families and communities most often depend. Nothing is more essential to the welfare of men, women, and children. Nothing is tied more directly to the recognition of the dignity, worth, and value of persons."[59]

The Episcopal City Mission's policy statement

Nationally standardized health care

Low-income workers need access to free or subsidized health care because many low-income jobs, particularly in the rapidly growing service industry, do not provide benefits.

- Researchers have found that providing preventive care to low-income people saves the government money, because the cost of hospital care for preventable emergencies is so high.[60]

- Any cuts in Medicaid or Medicare will result in the closing of health services for the poor. Such cuts will diminish access for everyone to preventive, emergency, and trauma care, driving up costs for the government and resulting in huge job losses.[61]

Proposals to block grant Medicaid could result in $12 billion in cuts over the next five years in California. A study of similar cuts in New York suggest that, in California, where health care is the third largest industry in the state, cuts would likely result in the loss of 120,000 jobs and an overall slowdown in the economy.[62]

More than 6.5 million Californians have no health insurance at all. California's uninsured rate, one of the highest in the country, is approaching 25%.[64]

- Loss of access to medical care makes it particularly difficult for poor families to stay off welfare and avoid homelessness.

- In 1994, only 8% of all AFDC recipients who worked found jobs that provided health insurance.[65]

A study of graduates of welfare-to-work programs found that 68% of those who received health insurance through their first job were still at that same job three years later; only 38% of those who did not receive health coverage at their first job stayed at that job for three years.[66]

- Making generous health insurance benefits available to all female workers would raise the employment rate of all heads of families 16% and reduce AFDC caseloads by 20-25%.[67]

- 37 million Americans and their dependents do not have health insurance. 86% of them are full-time or part-time workers.[68]

What employers can do to help

➢ Provide health benefits to all employees.[69]

➢ Small businesses can collectively purchase health insurance for employees and their families.

History shows that reducing federal Medicaid funding or eliminating national minimum standards leads some states to leave many families uncovered.

- In Mississippi, prior to the 1984 expansions of Medicaid, a family of three could have income of no more than 14% of the poverty line to qualify for Medicaid.[70]

- That same family in Connecticut could get Medicaid if their income was 66% of the poverty line.[71]

National standards for Medicaid spending are desireable for meeting basic health needs because they provide a floor below which states cannot cut.

- Allowing the states to set their own guidelines would threaten the improvements made in children's health since the expansion of Medicaid in 1984.[72]

➢ Prior to the Medicaid eligibility expansions that began in 1984, infant mortality was extremely high.[73]

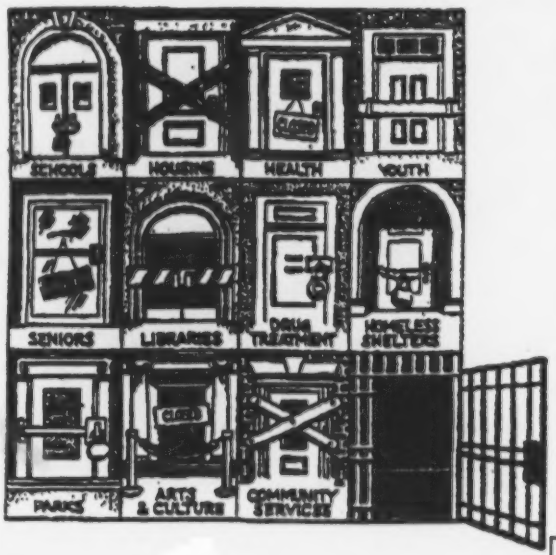
➢ In 1984, for every 1000 live births, 10.8 infants died. Many poor children were born with low birthweights, often an indicator of inadequate access to prenatal care.[74]

➢ Due to the expansion of Medicaid and the setting of federal standards, by 1992, infant mortality rates declined by 21%.[75]

What corporations can do to help

Encourage community volunteerism among employees.

- ➢ Create a position in the corporation for a Community Reinvestment coordinator who would keep employees abreast of needs and volunteer opportunities in the community at large.[76]
- ➢ Give employees time off work to volunteer at shelters and service organizations.[77]
- ➢ Pay employees "matching wages" for up to 8 hours of volunteer work per month.[78]
- ➢ Organize employees to participate in housebuilding projects for low-income people.[79]
- ➢ Organize fundraising activities, such as "walk-a-thons" and other benefits for shelters and public interest service providers.



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PRINCIPLE NUMBER THREE

Maximizing Human Potential Will Promote Economic Opportunity and Productivity

Working in America: planning for the future, not the past

The government's role of meeting the basic needs of children and families is manifested not only in the welfare system, but also in the highly subsidized world of work.

- Government policies regarding corporations and wages are inseparable from its welfare policies, because welfare is simply one of many subsidies that make up the government's overall role in the employment system and the economy at large.

- It is therefore helpful, in addressing welfare reform, to examine simultaneously the government's policies and subsidies related to the world of work.

Work

The dictionary defines work as: "a specific task, duty, junction, or assignment often being a part or phase of some larger activity."[1]

➢ Having the ability to participate and contribute one's human capital to the community can be seen as the "larger activity" described in Webster's.

➢ Human capital is our nation's most precious asset. Human capital is defined by economists as the capacity of individuals to perform functions of value to themselves or to others.[2]

➢ The building and use of human capital is important for individual and societal well-being. It leads to personal self-sufficiency, contributes to self-esteem, and is an important aspect of the individual's participation in civil society.

➢ In crafting economic and employment policies, therefore, "work" can be viewed not only as an activity that will enable individuals to rise out of poverty, affirm their human dignity, and empower them to achieve long-term economic sufficiency, but also a means of participating in the social and political institutions of the broader community.[3]

"... To be unemployed creates a world with no future, a world that quickly slips into despair. Work is for sustenance. It is also a critical step in turning a life of isolation into one of participation and actuality."

Helping the Homeless Find Permanent Jobs, Jubilee Jobs Inc.[4]

Valuing unpaid work

Individuals fulfill their obligation to society not only by becoming economically self-sufficient, but also by contributing to the common good in other ways. Public policy aimed at getting welfare recipients "back to work" should recognize the unpaid work many welfare recipients already do.

- The myth that adult AFDC recipients are "lazy," or "don't work," fails to value the work involved in parenting and community involvement.
- Unpaid work, such as raising children, housekeeping, and volunteer work in the community, are valuable social activities.

Recognizing the structural obstacles to obtaining paid employment

"The labor market is a giant, fast-moving game of musical chairs. People who are skillful, unencumbered and highly motivated are more likely to find a seat, but it's crazy to think that these differences explain why everyone isn't sitting. The only way to make that happen is to add more chairs."[5]

Philip Harvey

Over the past three decades, it has become increasingly difficult for many workers to maintain a reasonable standard of living because of structural changes in the economy.[6] Job training programs should recognize and plan around current and future trends in the labor market.

- The 1980's were a period of major economic restructuring. Between 1980 and 1988, ten million people in the U.S. lost jobs due to corporate takeovers, mergers, downsizing, and other forms of restructuring.[7]

Corporate restructuring in America.

8

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- Deindustrialization, exportation of jobs overseas, and underemployment have led to an expansion and deepening of poverty.[9]

- There has been a steady decline in the number of well-paying jobs in the manufacturing sector, within the context of a slower economy overall.[10]

Some analysts predict the continuing loss of jobs . . .

➢ The next century is likely to bring an even more drastic transformation, as work shifts from "mass labor" to highly skilled "elite labor," accompanied by increasing automation in the production of goods and services.[11]

➢ By these predictions, in the United States alone, as many as 90 million jobs in a labor force of 124 million are potentially vulnerable to displacement by automation.[12]

Unemployment is bad for your health

➢ One study found that with an increase of one percentage point in the unemployment rate deaths from heart disease rise 5.6% and deaths from strokes increase 3.1%.[13]

➢ Put another way, that means an increase of over 19,000 deaths annually from heart disease and strokes.[14]

The labor market has become increasingly dominated by low-wage, part-time or temporary jobs that do not pay enough to make ends meet.[15]

- More than one-fifth of workers have temporary or part-time jobs.[16]

- About one-quarter of all part-time workers are "involuntary" part-timers.[17]

- Part-time employees earn about half the hourly wage of full-time workers. Two-thirds of part-timers receive no health benefits and 80% receive no pension.[18]

- In the 1980's, one-third to one half of all new jobs created were in the contingent (temporary) work force.[19]

THE CURRENT ECONOMIC RECOVERY HAS CREATED OVER 7.8 MILLION JOBS..
AND I HAVE THREE OF THEM.
Jeff MacNelly
Chicago Tribune
Tribune Media Services
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Job Trends

➢ Between 1979 and 1992, the proportion of full-time workers earning low wages rose by nearly one-third.[21]

- Changes in the labor market have affected the poorest people the most because they had fewer skills and less educational opportunities to begin with.[22]

Inflation and wages, 1970-1989

➢ Wages and salaries for American workers increased an average of 1% per year between 1970 and 1989.[23]

➢ Meanwhile, inflation rose at an average of 5% per year.[24]

Prioritizing full employment, long-term economic growth, and a more equitable distribution of resources over shorter-term efficiency

- Although businesses perceive that cutting wages results in higher profits, the result is a reduction of income among their potential customers.[25]

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- By contrast, high employment and high wage policies can stimulate economic growth by putting money in the pockets of potential consumers.[27]

The "Fortune-ate" few

➢ The Fortune 500 account for 83% of all manufacturing profits in the U.S. but only half of all manufacturing jobs.[28]

➢ Between 1980 and 1990, Fortune 500 profits jumped 15% but 3.5 million of their workers were laid off in this same period.[29]

Attempts at short-term economic efficiency, as an end in itself, often results in fewer jobs and an unbalanced distribution of incomes.

- Corporate profits are increasingly flowing to top management while middle management and workers have seen jobs evaporate and pay scales decrease.[30]

AVERAGE COMPENSATION OF BAY AREA EXECUTIVES

Are the paychecks of corporate bosses too fat, too thin or just about right? Here are some factoids and tidbits on 1994 pay for executives at 300 Bay Area companies:

Average cash compensation

Salary, bonus, retirement contributions & restricted stock

1993	$334,343
1994	$394,349
Increase	18% or $60,006

Average stock-options exercised

Cashed in

1993	$264,707
1994	$869,840
Increase	206% or $585,133

Average equity-based pay

The estimated value of 1994 stock grants at future date of exercise, based on 5% annual appreciation rate

1993	$543,207
1994	$605,423
Increase	11% or $62,216

Highest cash payout in 1994

$6.3 million to Jerry Sanders, CEO, Advanced Micro Devices.

Highest exercise of stock options in 1994

$16.4 million to Kenny Liu, CEO, OPTi.

Highest equity-based pay in 1994

$8.3 million to Steven Burd, CEO, Safeway.

SOURCE: Compensation Design Group, San Francisco

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The gap between the rich and the poor in the U.S. is not only unprecedented in our own history, but also in all capitalist economies.[35]

- This disparity of income is all but unknown in industrialized economies. It is more typical of Latin American economies.[36]

The Earnings Gap

- The gap between the rich and the poor is at its widest since the Census Bureau began keeping track in 1947: the 20% of U.S. families with the highest income now make 44.6% of earnings, vs. 4.4% of earnings for the bottom 20% of U.S. families.[32]
- During the 1980's, the upper 1% of families in the U.S. increased their average income by $233,322 per family, a gain of 74%. During the same period, income gains for the bottom 95% of families were non-existent.[33]
- In 1989, a larger share of income went to the upper 1% than the bottom 40%.[34]

"It's a gloomy picture. If nothing changes, we will find ourselves in a two-tiered society, with an elite living in their own towns, governed by their own institutions, pooling their resources for libraries and parks, linked to the world but disconnected from their fellow citizens."[37]

Robert Reich, Harvard University Economist, later appointed U.S. Secretary of Labor

- Although the same economic forces that are creating a chasm between rich and poor in America have swept across Europe and Japan, inequality has remained in check in other nations.[38]
- A study of U.S. male workers found that those in the top 10% pay bracket earned 5.6 times as much per hour in 1992 as did men in the bottom 10%. By contrast, highly paid French and German men earn only three times as much as the lowest-paid, a ratio that did not change in the 1980's.[39]

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European countries offset market forces in various ways.[40]

- A high minimum wage and country-wide collective bargaining offset market trends that would otherwise push high skilled workers' wages up and drive lower-skilled wages down.[41]
- The minimum wage rises with inflation.[42]
- Workers are closely involved in negotiating national wage settlements.[43]
- There are more government-mandated protections in place, such as generous welfare, unemployment insurance, and child-care payments.[44]

Promoting a wage on a par with the cost of living for all people in our communities

Government policies can make work pay, by setting a higher minimum wage and increase in the Earned Income Tax Credit.

Monthly Minimum Cost of Living for a *Single Person* in San Francisco

Medical Care	$300[45]
Groceries	$250
Housing and utilities	$850
Transportation	$50
Clothing	$50
Personal Care	$30
Personal Needs	$90
Total	**$1620**[46]

A minimum wage job pays $4.25 an hour before taxes. This adds up to about $736/month.

Raising the minimum wage would make work pay

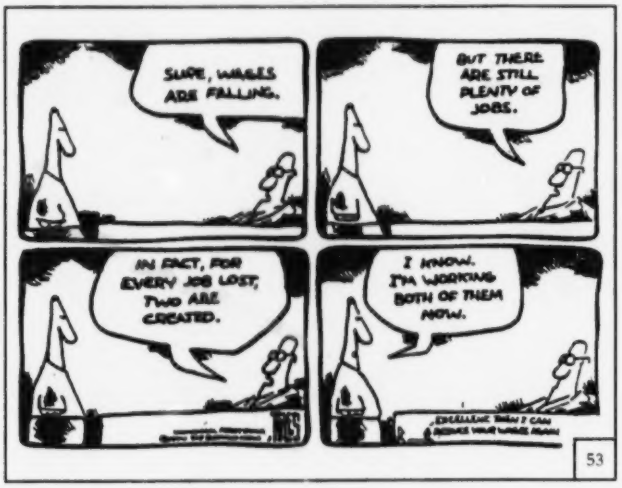
Decent wages are an important component in preventing abject poverty and homelessness.

- About 80% of workers earning minimum wage are adults.[47]
- Approximately one-third of all minimum wage workers are the sole breadwinners in their families.[48] Thus, a rise would be a significant boost for millions of households.
- The minimum wage is now at its second lowest level in 40 years, after adjusting for inflation, and will hit its lowest level in 40 years in 1996. After accounting for inflation, the minimum wage is 26% below its average level in the 1970's.[49]
- From 1970 to 1990, the minimum wage in California fell in value from $12,227 per year to $8,840 per year in 1990 dollars.[50]

- To have the same purchasing power in 1996 as it averaged during the 1970's, the minimum wage would need to be brought up to $5.93 an hour.[51]

Raising the minimum wage and indexing it to inflation would help families keep up with the cost of living.

- Between 1981 and 1989, the minimum wage was not increased. In the same time period, consumer prices rose by 43%.[52]


SURE, WAGES ARE FALLING.
BUT THERE ARE STILL PLENTY OF JOBS.
IN FACT, FOR EVERY JOB LOST, TWO ARE CREATED.
I KNOW. I'M WORKING BOTH OF THEM NOW.
53

Objections to raising the minimum wage: a tempest in a teacup?

The standard criticism of raising the minimum wage is that it raises employer costs and reduces employment opportunities for teens and disadvantaged workers.

➢ However, many studies have found that moderate increases in the minimum wage do not have significant effects on employment, even in the larger states.[54]

➢ In addition, a higher minimum wage can make it easier for employers to fill vacancies and may decrease employee turnover, simultaneously boosting employment.[55]

- If the minimum wage were raised 90 cents to $5.15 per hour, the combination of the minimum wage hike, the Earned Income Tax Credit, and food stamps would lift a family of four supported by a full-time, year-round minimum wage worker above the poverty line.[56]

- Currently, almost 20% of full-time workers earn an income that falls below the official federal poverty line, an increase of 47% since 1979.[57]

The American public supports increasing the minimum wage. Two very recent polls have found that 72% to 75% of Americans backed an increase in the wage.[58]

Earned Income Credit for 1994 Earnings			
Earned Income	**Lower Range**	**Middle Range**	**Higher Range**
Family with one child	26.3% of earnings up to $7,750	$2,038 for earnings between $7,750 and $11,000	Gradually reducing to $0 for earnings between $11,000 and $23,750
Family with two or more children	30% of earnings up to $8,425	$2,528 for earnings between $8,425 and $11,000	Gradually reducing to $0 for earnings between $11,000 and $25,300
Workers without children	7.65% of earnings up to $4,000	$306 for earnings between $4,000 and $5,000	Gradually reducing to $0 for earnings between $5,000 and $9,000

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Preserving the Earned Income Tax Credit will make work pay

The Earned Income Tax Credit (EIC) is a tax benefit for people who have paid employment. It adds to the wages of families with children that earn under $25,000 a year, and individuals who earn under $9000 a year.

EIC benefits boosted the incomes of eligible families — earning between $8,500 and $11,000 in tax year 1994 — by $2,528.

- The credit from EIC provides significant resources for low-income workers to pay for necessities like rent, utility bills, medical care, and child care. It helps many working families to continue working and avoid slipping onto the welfare rolls.
- EIC has historically received bipartisan support as a means both of supplementing the incomes of families in which the parent works for low wages and of rewarding paid employment.[60]
- EIC successfully and fairly addresses the recent trend of the erosion of wages for low-paid work.[61]
- EIC serves as an economic development tool for low-income neighborhoods. Since EIC benefits are spent locally, the EIC boosts state and local economies.
- Over $15 billion in federal EIC funds for tax year 1993 flowed to the states,[62] including over $2.2 billion to California alone.[63]

Where EIC makes a difference

Bruce and Sarah Lanier are both high school graduates. Residents of Grand Rapids, Michigan, Bruce works full time as a carpenter and Sarah half time as a retail-store sales clerk. They are raising twin daughters, now 11 years old, on a combined income of $19,700, which puts them nearly 50% above the Census Bureau's poverty line. Yet, they cannot afford a telephone, and most months there are times when they either skip meals or must "borrow" from relatives or friends to pay for food. They walk several miles each way to work when they have too little money to fix their fourteen-year-old car. They have no medical insurance, and the twins have never been to a dentist. When they cannot pay their utility bills, their heat is turned off, sometimes in the cold of winter. The Laniers represent the millions of "working poor," who have jobs but cannot afford basic needs.[64]

Investing in worker-readiness: plan for the future, not the past

Job Training

Individuals need access to job training programs leading to well-paid jobs that will actually materialize, given current and future employment trends.

- Increases in training produce twice the gain in workplace efficiency as comparable increases in the value of tools or machinery.[65]
- However, job training programs which do not provide training for existing jobs or do not lead to required certifications leave participants worse off in the long-run, as they are left in debt for the training but have no job.

"What lucrative, marketable skills can we achieve from a two year program? The answer is that we can't. The reality of the situation is that the training we receive will put us in a low-paying job which will allow us to belong to a new group of people . . . the working poor. We will make just enough money to be ineligible for federal programs like food stamps and Medicaid. Our salary will be difficult for a single person to survive on, yet we are expected to support our kids on this as well."[66]

Alice, AFDC recipient, calling for access to a four-year college education

Different people have different job-training needs.

- Short-term structured work experience may be beneficial for individuals with little or no work experience, or those who need to relearn skills.
- Others may benefit more from job training or re-training and more time to seek employment in better-paid areas. For these workers, short-term programs could hinder long-term employability. It could also erode wages and employment standards for other workers.
- Nearly all would benefit from an opportunity to pursue further education.

Education

Education is the key to acquiring and retaining a good job.

- Five out of six job applicants in the U.S. are rejected because they cannot read or write adequately.[67]

Education and Inequality

Since the late 1970's, an explosion of income inequality has occurred along educational lines. Families in the mostly college-educated top quarter — those with annual incomes today of more than $64,000 — have prospered thanks to the rising demand for highly skilled workers. Meanwhile, families in the bottom quarter are stranded in low-wage limbo.[68]

Even as a good education has become a litmus test in the job market, the widening wage chasm has made it harder for lower-income people to get to college.

One Story

When Armando G. de los Santos graduated from high school in 1985, he took a minimum wage job bagging groceries. He has since moved to another store, where he makes $9.50 an hour in the meat section. But years of searching for something better have taught him a harsh reality: today, you can all but forget about joining the middle class unless you go to college. That's an economic hurdle he can't clear. One of eight children, he couldn't turn for assistance to his parents, a custodian and a homemaker. In 1992, he won a scholarship to Colorado State University, but when his grant and savings ran out, he couldn't afford the $4,000 annual tuition. So he went back to supermarket work full-time, and, at 26, began moonlighting as a bartender to save for more schooling. "I want a better job," he says, "but I need a B.A."[69]

- Children from the top 25% of wealthy families are better situated in today's economy: 76% earn bachelor's degrees today.[70]

- But less than 4% of those in the bottom 25% of families now finish college.[71]

Trends suggest that educational and income inequalities will cripple U.S. economic growth.[72]

- The share of college-educated workers, which rose in the 1970's as baby boomers entered the workforce, has leveled off.[73]

- The national high school drop-out rate remains in the double digits.[74]

- Simultaneously, in nearly every industry, the spread of new technologies is creating a need for employees who know how to do more. If workers are not trained to handle these changes, companies will be less productive, and the economy will be stunted.[75]

Neck and Neck

The number of Americans behind bars or on probation or parole will soon approach 6 million, equal to the number of students enrolled full-time in four-year colleges and universities nationwide.[76]

Stratification is not only unproductive and inefficient. It is patently unfair. The government and industry should work together to shape education and training to employer needs of the future.

Employers can promote increased education and encourage employees to pursue their educational goals by allowing for alternative work schedules, including telecommuting and four-day work weeks.

Investing in Support Services for workers and trainees

Support services, particularly child care, are crucial to low-income job seekers and existing workers.

- Work-related supports help the transition from welfare to work by allowing recipients to continue to work despite events that would have previously forced the worker to quit and go on welfare.[77]

- More than two-thirds of administrators of the welfare-to-work Job Opportunities and Basic Skills Program (JOBS) cited transportation obstacles as a reason many participants could not access a specific education or training component they needed.[78]

What Individuals can do to help

Donate in your area of expertise:

- ➢ resume writing and editing
- ➢ interview techniques
- ➢ computer skills training

- A 1991 study of AFDC recipients in Illinois found that child care problems kept 42% of recipients from working full-time, kept 39% of recipients from looking for work as much as desired, and prevented 39% from going to school.[79]

What the community can do

Organize and support a "work wardrobe" service, with interview suits and other work clothes, for people interviewing or beginning new jobs.[80]

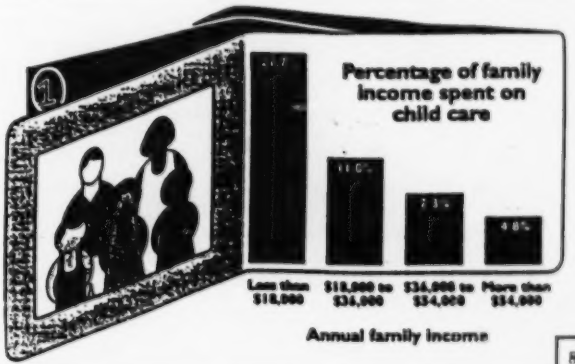
Organize a community-based "video resume" service, where the jobless can advertise themselves as employees.[81]

- ➢ The tapes can be shown at movie theaters between feature films, and on public access television.
- ➢ The tapes can be provided to employment offices as supplements to ordinary applications.

Child Care Costs

Low-income families on average spend more than 20 percent of their income on child care, compared with less than 5 percent among families in the highest income bracket.

Families with incomes below the poverty line spend an even larger portion of their income on child care—27 percent.



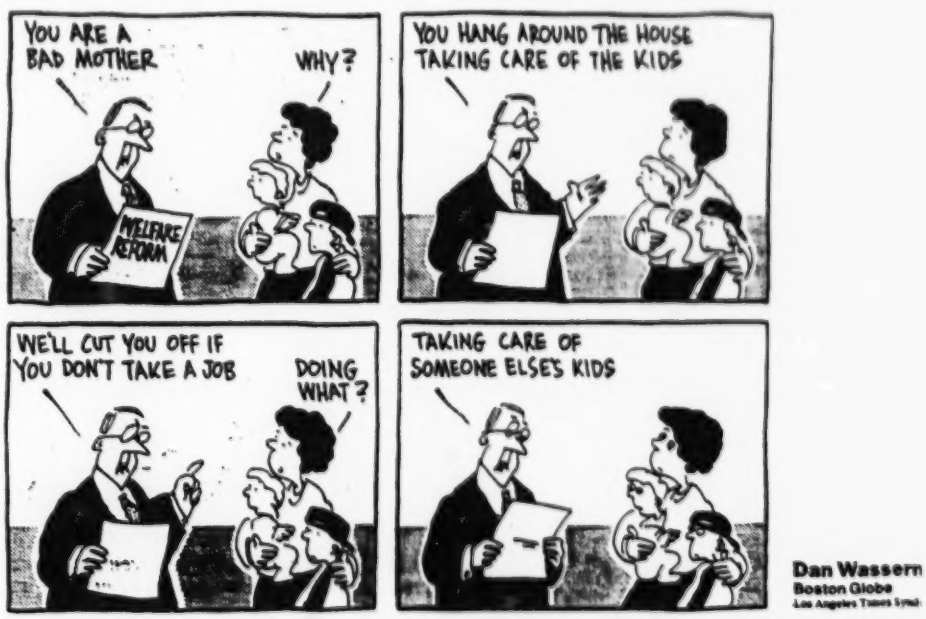
82

- Childcare subsidy programs encourage participation in paid employment.
- Parents using informal arrangements report a greater incidence of losing time from work or being prevented from working because of child care problems than those using formal arrangements.[83]
- One study estimates that providing a full child care subsidy for poor mothers would increase their labor force participation from 29% to 44%.[84]

Employers can support families by allowing employees the flexibility to work around their families' caring needs.

➢ Provide telecommuting opportunities for employees with sick relatives and small children.

➢ Provide on-site child care.[85]

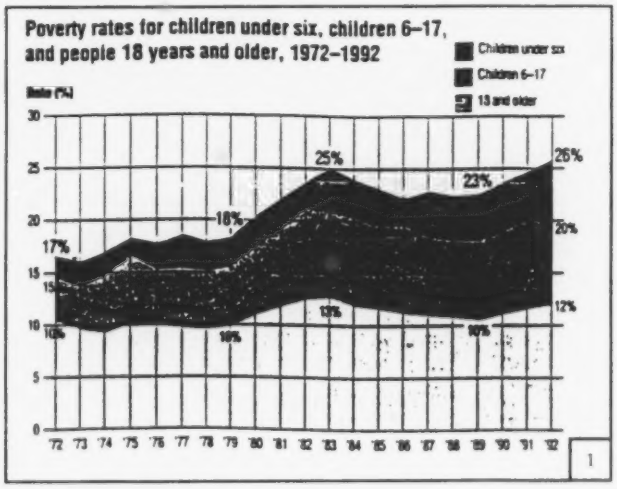

YOU ARE A BAD MOTHER
WHY?
WELFARE REFORM
YOU HANG AROUND THE HOUSE TAKING CARE OF THE KIDS
WE'LL CUT YOU OFF IF YOU DON'T TAKE A JOB
DOING WHAT?
TAKING CARE OF SOMEONE ELSE'S KIDS
Dan Wassern
Boston Globe

PRINCIPLE NUMBER FOUR

Investing in Children Means Investing in Our Future

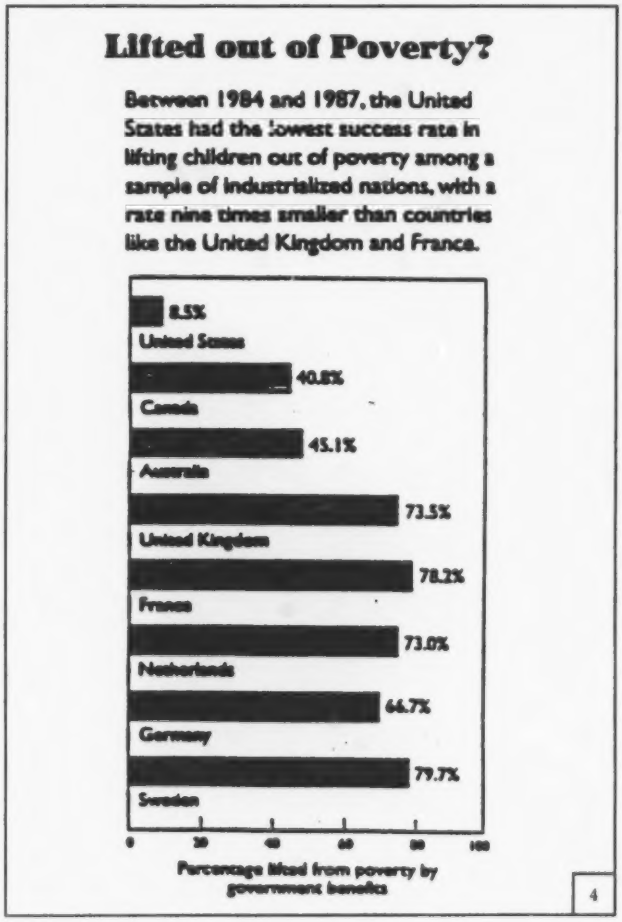
The state of America's children: where are they now?

Children are, quite simply, the future of our nation. Yet, poverty among children has been on the increase over the past thirty years.



- Children make up 27% of the U.S. population, but 40% of its poor.[2]

- 15.7 million U.S. children were poor in 1993 — the highest number in 30 years.[3]



- The U.S. is the leader in child poverty rates among industrialized nations.[5]

  ✓ In the mid-80's, among eight western nations including the U.S., the average overall child poverty rate was 7.4%. The U.S. poverty rate was almost triple that average, and ours was the only nation with a double-digit child poverty rate.[6]

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➢ 21.8% of all children were poor in 1991.[7]

➢ One quarter of children under six in the U.S. now live in poverty.[8]

- 2.7 million children in California are living in poverty, the highest level recorded since the state began tracking child poverty levels in 1976.[9]

Cut now, pay later

- Poverty, child care and nutrition directly effect not only childrens' health and welfare, but also how they develop and, later, function in society.[10]
- Poor children are more likely to die in infancy, become ill in childhood, fall behind a grade in school and drop out of school.[11]

- Despite these trends, data indicate that the number of children remained constant at 64 million between 1980 and 1990, while the number of adults grew significantly. Although there are now more adults to care for these children, the children are worse off.[12]

Changes in economic conditions

- The 1980's proved to be an era of wealth for the lucky few, but the gap between rich and poor expanded dramatically.[13]

Increase in Income for Families From 1979 to 1989

Rank in Earnings	
TOP 1% IN INCOME	*+74% ($129,402)*
TOP 5% IN INCOME	*+37% ($33,845)*
BOTTOM 10% IN INCOME	*-10.5% (-$371)*

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- Between 1973 and 1990, the poorest fifth of families with children realized a decline in cash income of 30.5%, while the wealthiest fifth experienced a rise in cash income of 12.8%.[15]
- The bottom three-fifths of families with children had less income in 1990 than in 1973.[16]
- Yet adults in poor families work full time. Nationwide, in 1989, nearly two-thirds of all poor families with children had one or more family members who worked.[17]

"There is no freedom in the poverty and ignorance that many American children today endure; no privileges-in-waiting. There's only the sure, sad realization that we are letting these children down; that we have slowly, and perhaps unwittingly, compromised not only their futures but ours as well . . ."[18]

Robert E. Allen, Chairman and CEO, AT&T

Decline in federal benefits for needy children

- After inflation the real value of AFDC grants fell 42% between 1972 and 1990.[19]
- In 1993, the average welfare benefit was only $367 per month for a family of three, or $4,400 a year, almost $9,000 below the federal poverty line.[20]

Investing in our children

Strong communities require a next generation of healthy, well-educated, well-adjusted individuals. How far we go as a society to ensure beneficial outcomes in economic security, education, health, and safety will effect us all.

> "What we need now is more funding — not less — to help lift families out of the throes of poverty and violence so they can support themselves and bring up healthy children. In the end, it's an investment in human capital that will benefit us all."
>
> *Dr. Larry Aber, Director of the National Center for Children in Poverty at Columbia University School of Public Health*

- Social welfare policies should be viewed as the making of long-term investments in human capital. Only then will child poverty rates be reduced.

Support and fund a strong, comprehensive safety net for all children in need[21]

- With two-thirds of the welfare caseload under 18 years of age, the typical welfare recipient is a child.[22]
- Over 12 million children receive free or reduced price lunches under the school lunch program.[23]
- Still, more than one million children get less than 70% of the recommended calories on a daily basis.[24]

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Malnutrition and America's Children[26]

- ➢ Significantly larger proportions of poor than non-poor children suffer from substandard intakes of ten key nutrients, casting serious doubt on the wisdom of cutting or block-granting nutrition programs.
- ➢ Poor children who attend school hungry perform significantly below non-hungry low-income peers on standardized tests.
- ➢ There is a strong relationship between family income and the growth and cognitive development of children.

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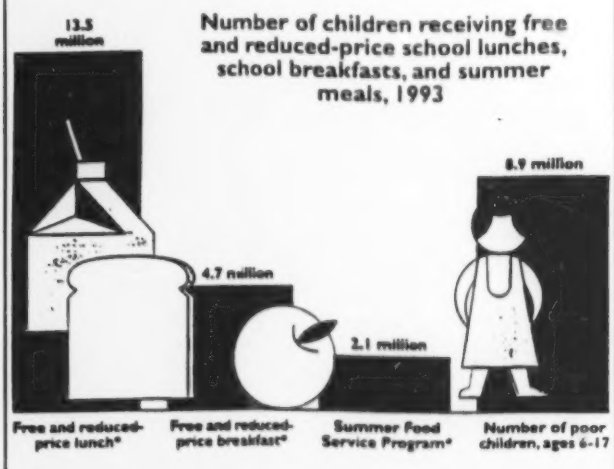
- Block granting food programs such as WIC, Head Start, and school breakfast and lunch will result in cuts ranging from 10% to 40% in those programs.[27]

- National nutrition standards should remain in place, not be eliminated or compromised.

> "If children can't eat at school because Congress eliminates school lunches and children can't eat at home because Congress cuts their mothers from welfare, these children will be unable to learn and the cycle of poverty will just repeat itself."
>
> *Boyd Boehlje, National School Board Association*

Food Programs for Children

Millions of poor and near-poor children who benefit from free or reduced-price school lunches are not being served by the school breakfast or summer food service programs.


13.5 million
Number of children receiving free and reduced-price school lunches, school breakfasts, and summer meals, 1993
8.9 million
4.7 million
2.1 million
Free and reduced-price lunch*
Free and reduced-price breakfast*
Summer Food Service Program*
Number of poor children, ages 6-17
*Includes children from families with incomes up to 185 percent of poverty.
28

Support and expand Supplemental Security Income (SSI) for economically disadvantaged families with disabled children

Allowing families to care for their disabled children at home, while receiving SSI, saves money.

- SSI provides approximately $5,500 per year in benefits.

- Other options cost considerably more. Specialized foster care costs $24,000 a year, and state institutions cost $95,000 a year.[29]

Generously fund child welfare programs

Economic crises are strongly associated with other family crises.[30]

- In the last three years in California, foster care placements have risen over 14%; today, 94,000 children are in foster care.[31]

- Homelessness is a major factor in the placement or maintenance of children in foster care, and foster care is increasingly documented as a precursor of adult homelessness.[32]

- A study of homeless mentally ill people in four cities across the nation looked at their pre-adulthood experiences, and found that 41.2% had experienced physical abuse.[33]

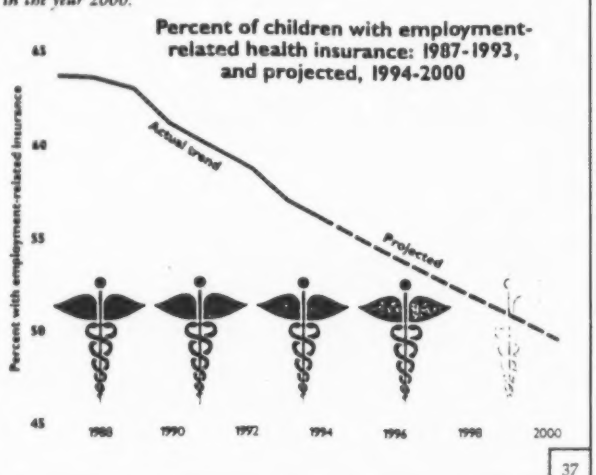
All children need health insurance and quality health care

> "... We should invest our health care dollars where they will do the most good. That means in prevention. We need to start preparing our children today so they can lead productive and meaningful lives tomorrow ..."[34]
>
> *Robert C. Winters, Chairman and CEO, The Prudential Insurance Company of America*

- Children without insurance are less likely to receive adequate health care and are at higher risk of medical complications due to lack of treatment.[35]
- About 7% of all babies in the U.S. were born at low birthweight (less than 5.5 pounds) in 1992.[36]

Eroding Coverage

If current trends continue, less than 50 percent of children will be covered by employment-related health insurance in the year 2000.



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- More than 9.4 million children were not covered by health insurance in the U.S. in 1993, an increase of more than 800,000 children (nearly 10%) from 1992.[38]
- Nearly 2 million California children currently lack health insurance.[39]
- Workers and their families comprise over 8% of the uninsured.[40]
- 82% of Americans want to guarantee minimum health care coverage to all children through health care reform.[41]

Immunization of children[42]

➢ More children are receiving timely immunizations in California. The immunization rate improved from 1991 to 1994.

➢ However, many countries maintain better immunization rates than California, including: Romania, Honduras, Vietnam, China, Canada, Saudi Arabia, Thailand, Great Britain, Mexico, Ukraine, Sri Lanka, Columbia, Chile, Hungary and Portugal.

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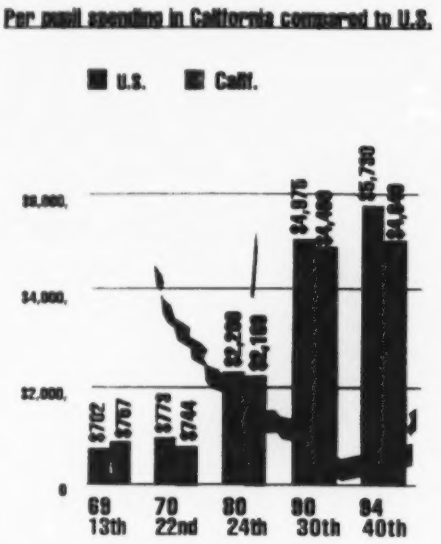
What businesses can do to help

- ➢ Offer on-site child care for employees or child care subsidies for low paid employees.
- ➢ Provide job training and employment opportunities for at-risk youth.
- ➢ Offer scholarships for summer camp for underprivileged youth.
- ➢ Sponsor programs encouraging employees to tutor children in homeless shelters or schools.[43]

Support and fund public education

- The U.S. ranks 18th out of 23 industrialized countries in public spending on education, but first in private spending.[44] Students who must depend on public expenditures for education are at a major disadvantage.
- California, once a national leader in educational investment, is now ranked 39th out of 50 states in per-pupil spending.[45]



California was once a national leader in educational investment. Today, we are among those states spending the least.

California's per capita income is 13th highest among states.

46

- California 4th graders rank 40th out of 41 states in reading skills.[47]
- 61% of all 8th grade students in California can perform simple multiplication. Yet just 15% are able to use fractions, decimals, percents, elementary geometry, and simple algebra.[48]
- Among young adults ages 20-24, high school dropouts earned 42% less in 1986 than in 1973, while high school graduates without a college education earned 28% less.[49]

"Denying . . . children a basic education, we deny them the ability to live within our civil institutions . . ."[50]

United States Supreme Court, Plyler v. Doe

Nationalize enforcement of child support payments

- Only about half of all custodial parents have a child-support award in place.[52]
- Of those with a child support award, only half receive the full amount, one quarter receive partial payment, and the remainder receive nothing at all.[53]
- In California, just 37% of the more than 480,000 children owed support payments in September 1994 actually received some amount.[54]
- Between 1983 and 1992, the percentage of child support cases in which states collected any payments inched up from 14.7% to 18.7%. At that rate of progress, it would take more than 180 years for even partial child support to be collected in all cases.[55]

Effective child support enforcement can end poverty for many children

- Women comprise 86% of all custodial parents. 35% of all custodial mothers and 50% of those with no support award are living in poverty.[56]
- Mothers receiving child-support have an average income of $18,144, compared to $10,226 with no child-support.[57]

Any child-support enforcement program should include:

- ➢ adequate due process requirements
- ➢ a simple system for establishing paternity
- ➢ good-cause exceptions for paternity establishment and support enforcement

Provide access to quality, affordable child care and after-school programs for all children under 12

Child care is one of most important ingredients in any attempt to move from welfare to work.[58]

One Family's Story

Barbara and three of her children moved to San Francisco with high hopes of finding a job. Within a few months, they were living in a homeless shelter. Barbara stayed at the shelter for two months, ultimately moving from there to one of the city's public housing units. She then enrolled in school to study biology.

Barbara's youngest son is seven years old. He attends kindergarten in the mornings and after school goes home to an empty house. His two older sisters return home from school at 3:00 p.m. Their mother, who carries a beeper in case of emergency, arrives at 6:30 p.m.

When confronted with accusations of neglect, Barbara responds with a question: Wouldn't it be worse for me not to do everything I can to get my children out of that environment?

- The quality and quantity of most child care available to working families in the U.S. is poor and can harm learning and social development of children.[59]

- Lack of access to child care is the primary barrier to families in finding affordable housing.[60]

- Child care can provide homeless children with a core of stability in a life fraught with unpredictability, and connect the child with necessary services such as regular meals and health care. In fact, one model program in New York City found that in just a few weeks in quality child care, homeless children showed marked improvements in the areas of motor skills, language comprehension and social skills.[61]

Child care also provides significant benefit to homeless parents, both as individuals and as care-givers. It can give parents the time to rebuild the structures of a stable life for their families and the respite and support that can allow them in turn to support and cherish their children. Specifically, parents can have time to look for housing, work, job training, and services without having to worry about taking their child along.

- Removing the guarantee of child care for AFDC recipients who are participating in job training or new jobs will result in poor families "recycling" on and off of welfare.

"We can reverse the tide if we help children early enough, but that requires considering childrens' welfare as well as short-term dollar savings in policy decisions."

Aletha Huston, President of the Developmental Psychology Division of the American Psychological Association

CONCLUSION

Setting New Priorities for the 21st Century

> "A decent provision for the poor is the true test of civilization."[1]
>
> *Samuel Johnson*

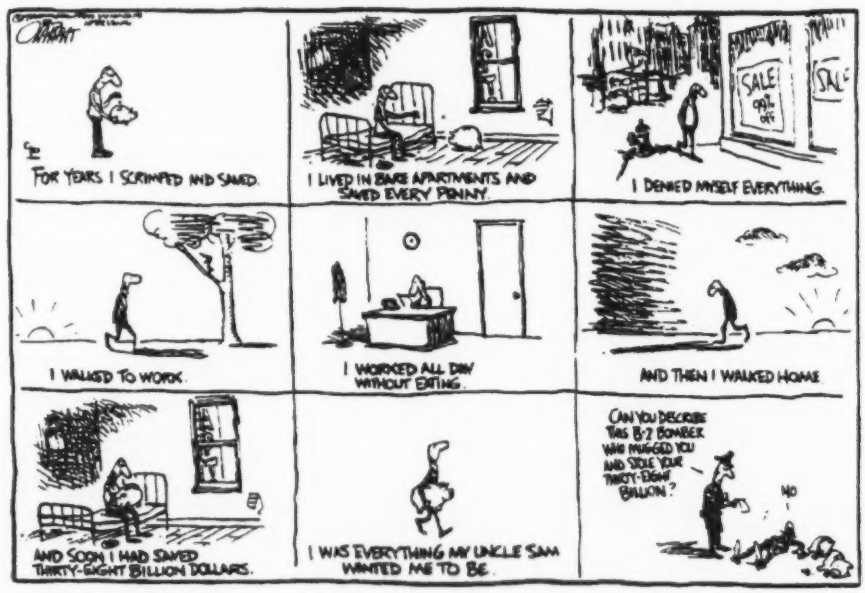
This statement of principles on welfare reform has set out what we see as the central priorities that should guide discussions and policy into the next century. They are:

- Quash the welfare myths.
- Preserve the safety net.
- Meet basic needs.
- Maximize human potential in the community.
- Provide for America's children.

While we recognize that ideas cost money, we must recognize that we can find the resources to meet these fundamental goals.

We need, first and foremost, to examine our priorities. Should we subsidize private business profits or hungry homeless people? Should we support a system that addresses the needs of political campaigns before it addresses hunger? Should we nourish and educate our children or develop weapons that even the Pentagon doesn't want?

In answer to the question, "where could the resources come from to serve these priorities," here are a few ideas.


FOR YEARS I SCRIMPED AND SAVED.
I LIVED IN BARE APARTMENTS AND SAVED EVERY PENNY.
I DENIED MYSELF EVERYTHING.
SALE
I WALKED TO WORK.
I WORKED ALL DAY WITHOUT EATING.
AND THEN I WALKED HOME.
AND SOON I HAD SAVED THIRTY-EIGHT BILLION DOLLARS.
I WAS EVERYTHING MY UNCLE SAM WANTED ME TO BE.
CAN YOU DESCRIBE THE B-2 BOMBER WHO MUGGED YOU AND STOLE YOUR THIRTY-EIGHT BILLION?
NO!

2

The unwanted bombers: a fable[3]

One day, a concerned taxpayer wandered into the halls of Congress and announced:

"I want to trade in my share of the B-2 Bombers. I figure that my share of the extra twenty B-2 bombers you want to buy comes to about $287. Since the Pentagon doesn't want them and the country doesn't need them, I've decided to send back my share of the B-2's. Spend it on someone who needs it."

- ➢ Take $31 from my share and DOUBLE the amount I've been contributing to the WIC program, which feeds mothers, infants, and children.
- ➢ Take $96 and save the student loan program. We're going to need to educate people for the coming decades.
- ➢ Take $31 and put 100,000 poor kids through four years of state college for free.
- ➢ Take the rest and pay off some of the national debt. My share in saved interest comes to about $30. Invest that in job training.
- ➢ Or, you could take my whole share and save the food stamp program.

Defense Spending

- Defense spending makes up 18% of the federal budget. By contrast, AFDC, Food Stamp and Medicaid for AFDC recipients together make up just 3% of the federal budget.[4]
- The Pentagon employs 85,000 civilians and 1.7 million uniformed personnel, a ratio of one civilian for every two soldiers. "I'm a World War II veteran," says one expert on government waste, "the ratio was one in seven back then, and I think we won the war."[5]
- The relation of defense expenditures to low income housing expenditures in 1980 was 5:1; in 1990, it was 20:1.[6]
- The Pentagon holds $36 billion in inventory that is no longer needed — a sum equivalent to what the government spends on all food and nutrition programs.[7]
- Recently, the House allocated up to $31.5 billion for new B-2 bombers that the Pentagon didn't even ask for.[8]

Campaign Spending

- The average House of Representatives seat now costs over $500,000 to win.[10]
- By October 1994 campaign spending in the Feinstein-Huffington Senate race had reached $36 million and expected to top $40 million by the end of the race — more than San Francisco spent on assistance for homeless people during 1993-94.[11]
- Federal Election Commission records show that candidates in the most recent Congressional election spent approximately $589,900,000 from January 1993 to November 1994.[12]
- Campaign spending for California political offices increased by 36% from 1990 to 1994, topping $92,000,000. By contrast, rates of increase in General Fund Expenditure for Alameda County Schools averaged .1% from 1990 to 1994. In the same period, the Child Welfare Services budget dropped by 8.8%.

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Corporate Welfare

- There are at least 127 government programs that provide subsidies to particular companies or industries.[14]

Timber industry subsidies

During the past 20 years, the U.S. Forest Service has built 340,000 miles of roads in national forests — eight times the length of the national highway system — to help private logging companies remove timber. In 1994, the Forest Service spent $140 million building roads.[15]

✓ The Pentagon provides nearly $100 million a year to Sematech, a semiconductor company, ostensibly to help them compete internationally. However, Sematech now mostly benefits the largest Silicon Valley producers at the expense of small domestic upstarts.[16]

- If the government eliminated one-third of the corporate subsidies scattered throughout the budget, enough money would be saved to abolish the capital gains tax. That would create far more jobs and start-up businesses than 100 Sematechs.[17]
- Since 1950, the share of federal, state, and local taxes paid by corporations has dropped from 67 cents for every dollar paid by individuals to only 21 cents for every dollar paid by individuals.
- In 1991, the savings and loan bailout cost $130 billion, compared with $23 billion for welfare.[18]

"The nation is at a critical crossroads; the income gap between rich and poor is growing. Many of our children do not enjoy access to, much less training in, the technology that will drive the economy of the future. Our infrastructure — civic and industrial — is in desperate need of serious investment. Our citizens see their quality of life eroding, yet the answers from Washington are more tax breaks for the rich, environmental degradation and global economic strategies that benefit those with capital at the expense of those who must work for their livelihood.

These distorted priorities are a recipe for disaster. During the Vietnam War, Dr. King observed that the bombs being dropped in Vietnam were exploding in the ghettos and barrios of America — the diversion of resources to fight an unjust war was killing our children and their future. His metaphor for that time is just as grimly appropriate for assessing the domestic impact of . . . excessive and unwarranted military spending."[19]

U.S. Representative Ronald Dellums, former Chairman, House Armed Services Committee

ACKNOWLEDGEMENTS

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HOMEBASE is California's law and social policy center dedicated to ending homelessness. Since 1989, HOMEBASE has made substantial contributions in this fight, offering legal advice and consultation on impact issues, planning and facilitating policy change at the local, state, and federal levels, and assisting California's growing homeless population as well as those who seek to provide homeless people with housing, income, services, and dignity. If you would like to know more about HOMEBASE, please contact us at:

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Conclusion Notes

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